

DETAILED ACTION

1. Receipt of Applicant's amendment and remarks filed July 17, 2009 is acknowledged.

Response to Amendment

2. Claims 1, 6-7, 15, and 22 are amended. Claims 2-5, 8-14, 16-17, 19-21, 26-27, and 29-31 have been canceled. Claims 1, 6-7, 15, 18, 22-25, 28, and 32 are pending in the application and are provided to be examined upon their merits.

Response to Arguments

3. Applicant's arguments with respect to claims 1, 6-7, 15, 18, 22-25, 28, and 32 have been considered but are moot in view of the new ground(s) of rejection.

Nevertheless, a response below in **bold** is provided to Applicant's Remarks.

In view of the foregoing amendments and the following remarks, reconsideration of the subject application is respectfully requested. Claims 1, 6, 7, 15, 18, 22-25, 28, and 32 are presently pending in the application. Claims 1, 6, 7, 15, and 22 have been amended to clarify the invention. Claim 31 has been canceled; claims 2-5, 8-14, 16, 17, 19-21, and 29-31 were canceled by previous amendments. All amendments are fully supported by the specification. No new matter has been added.

The prior Office Action specifically requested Applicant cites where in their specification support for amended claims can be found. This helps Applicant avoid 35 USC 112, 1st paragraph issues.

Applicant argues 35 USC 101 rejection, pg. 9 of Remarks:

In the Office Action, claims 1, 6-7, and 22-24 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Office argues that the claimed invention fails to qualify as a statutory process under "recent Guidelines

Art Unit: 3693

issued by the Deputy Commissioner" because the claimed methods are not tied to another statutory class and do not transform underlying subject matter to a different state or thing. The Office has not provided a copy of the referenced guidelines, nor has the Office provided any citation that would allow the Applicant to review the guidelines. Applicant respectfully submits that such guidelines, even when issued by the Deputy Commissioner for Patents, are interpretations that do not have the force of law and are therefore an improper basis for a rejection.

The Examiner respectfully disagrees with this assertion, since citing MPEP would also be improper according to this argument. Further, the Applicant is aware of Bilski (below).

However, in the interest of furthering prosecution of the pending claims, independent claims 1 and 22 have been amended to clarify that the steps of the claimed methods are performed using a computer. Applicant respectfully submits that claims 1, 6-7, and 22-24 now recite methods that are tied to a particular machine and are therefore patentable subject matter under 35 U.S.C. § 101. See *In re Bilski*, 545 F.3d 943,961 (Fed. Cir. 2008). Withdrawal of the rejection is respectfully requested.

The Examiner thanks applicant for amending claims 1 and 22 to include an apparatus and withdraws the 35 USC 101 rejections to claims 1 and 22 and their respective dependent claims.

Applicant argues 35 USC 112 rejections, pg. 10 of Remarks:

In the Office Action, claim 31 was rejected under 35 U.S.C. § 112, first paragraph as failing to comply with the written description requirement. Claim 31 has been canceled; this rejection is now moot.

The Examiner thanks the Applicant and removes the rejection as it is now moot. However, claim 22 was amended and now results in a new 35 USC §112, 2nd para. rejection.

In the Office Action, claims 15, 18, and 25 were rejected under 35 U.S.C. § 112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Office Asserts that the cited claims invoke means-plus-function language, as defined in 35 U.S.C. § 112, sixth paragraph, "where no structure is provided in the specification to support such usage."

Applicant respectfully submits that the specification discloses sufficient structure to meet the definiteness requirement of 35 U.S.C. § 112, second paragraph. The proper test for meeting the requirement is that the structure corresponding to a means-plus-function claim must be disclosed in the specification itself in a way

Art Unit: 3693

that one skilled in the art will understand what structure will perform the recited function. See *Atmel Corp. v. Information Storage Devices, Inc.*, 198 F.3d 1374, 1381 (Fed. Cir. 1999). The disclosure of the structure may be implicit in the specification if it would have been clear to those skilled in the art what structure corresponds to the means-plus-function claim language. See *Id.* at 1380. Applicant's specification recites a number of structural elements, including an analytical server, a data storage device having a plurality of processors, and a data input/output device. See Specification, page 7, lines 8-20.

A person skilled in the art to which the invention pertains would readily understand which of the structural elements recited in the specification would perform the functions recited in claims 15, 18, and 25. For example, a person of skill in the art would easily understand that the data storage device could act as the "means for storing a set of compliance rules" and that the analytical server could act a "means for calculating a transaction limit" as recited in claim 15.

Consequently, claims 15, 18, and 25 meet the definiteness requirement found in 35 U.S.C. § 112, second paragraph. The Office argues that "[t]he specification does not explicitly limit the implementation of the 'means for' structure using a specific (non-general) computer with a specific algorithm for the stated functionality." Applicant respectfully submits that there is no such requirement under 35 U.S.C. § 112. Withdrawal of the rejection is respectfully requested.

The Examiner maintains that means plus function is indefinite and further points to *Aristocrat Technologies Australia Pty Ltd. v. International Game Technology* (CAFC 2008, 521 F3d 1328). There is no specific software code (algorithm) provided in the specification. The Examiner respectfully maintains this rejection.

Applicant argues 35 USC 103 rejection, pg 11 of remarks:

In the Office Action, claims 1, 15, 18, 22, 25, and 32 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Patent Application Publication No. 2002/0082979 to Sands and further in view of Official Notice.

Independent claim 1 recites a method of determining the buying power of an investment portfolio for a given security. The method includes storing a set of compliance rules in a database and calculating a transaction limit for a proposed transaction involving the security for each compliance rule. The method also includes sorting the set of compliance rules from most restrictive to least restrictive and displaying a buying power message box showing the sorted set of compliance rules along with the calculated transaction limit for each rule. A rule description box is also displayed with the buying power message box; the rule description box defines how the transaction limit was calculated. This

Art Unit: 3693

functionality allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits.

From above...

>>The method includes storing a set of compliance rules in a database and calculating a transaction limit for a proposed transaction involving the security for each compliance rule.<<

Storing compliance rules in a database would be considered an insignificant extra solution activity.

From above...

>>A rule description box is also displayed with the buying power message box; the rule description box defines how the transaction limit was calculated. This functionality allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits.<<

However, prior art of Sands teaches displaying rules and transaction limits. If there is functionality, it lies not in the form or structure of the box, but in the information displayed.

Cwenar recites a computerized data processing system having an external data interface for communicating with nonuser outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security. The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

Cwenar fails to disclose or suggest displaying a buying power message box showing a list of compliance rules along with a rule description box that defines how a transaction limit was calculated for each compliance rule. The system disclosed in Cwenar allows a user to input rules through an external interface. See col. 11, lines 44-45. The rules may be stored on a local computer or in a central database. See col. 11, lines 46-51. The rules can be based on legal requirements, see col. 12, lines 6-7, or can be discretionary and customized to the preference of a user. See col. 12, lines 40-42. When a transaction is found to violate the rules the trade is stopped, and an audit trail report is prepared. See col. 12, line 27-29. If the transaction is found to be consistent with the rules, the

Art Unit: 3693

trade proceeds and a user receives a compliance approval report. See col. 12, lines 41-47.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Cwenar was used to teach most of the claim elements and Sands was used to teach displaying rules and limits.

Cwenar simply does not disclose the step of displaying a buying power message box listing compliance rules together with a rule description box showing how transaction limits for the compliance rules were calculated. The system of Cwenar may terminate a transaction that is found to violate the rules and generate an audit report indicating that the rules were violated. However, the system described in Cwenar does not provide a portfolio manager with the description of how the rule was calculated, and so does not allow the portfolio manager to quickly identify alternative opportunities and decide what actions should be taken during the trading process.

Applicant is arguing displaying, where Sands was used to teach displaying.

The assertion by the Office that the audit trail reports are somehow equivalent to displaying a rule description box that defines how a transaction limit was calculated is simply not supported by the disclosure of Cwenar. Cwenar indicates that "if a violation of the legal rules is found to exist, the next action is to prepare an audit trail report or record of the event 163 and to stop the trade..." See col. 12, lines 28-30 (emphasis added). In other words, the audit report is simply a record, for future retrieval, created to show that a user of the system described in Cwenar attempted to initiate a trade in violation of one or more rules. The record is made available to management and may not even be accessible to the user who violated the rules.

Again, in response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Sands was cited as an obviousness rejection with Cwenar to teach displaying rules.

The reliance on an extrinsic source to arbitrarily broaden the scope of the Cwenar reference is improper. The Office cites a business dictionary (Friedman, Jack, "Dictionary of Business Terms", 2000, Barron's Educational Series, Third Edition, page 42) that defines an "audit trail" as "a step-by-step record by which accounting data can

Art Unit: 3693

be traced to their source" and concludes that "therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated." This conclusion is not justified by the limited disclosure of Cwenar. As explained above, the system of Cwenar produces a report or record indicating that a trade was attempted in violation of predetermined rules. There is no support in Cwenar for the assumption that the reports produced by the system show in detail how transaction limits for compliance rules were calculated. For at least these reasons, claim 1 and all claims depending from claim 1 are patentable over Cwenar.

From above...

>>The reliance on an extrinsic source to arbitrarily broaden the scope of the Cwenar reference is improper.<<

With all due respect, it was not arbitrary and is an obviousness type rejection. The Examiner maintains this view.

From above...

>>There is no support in Cwenar for the assumption that the reports produced by the system show in detail how transaction limits for compliance rules were calculated.<<

Cwenar does teach audit trail, and an audit trail is just that, a step-by-step detail of how a number is determined. Cwenar has not defined or redefined what an audit trail is in their specification, therefore, the common understood meaning is appropriate. A dictionary provides the definition.

Sands fails to overcome the deficiencies of Cwenar. Sands discloses a system for pre-trade compliance checking in a mutual funds portfolio management process. The system allows a trader to determine what actions are available with regard to compliance before any trades are entered into a portfolio management system. See page 2, paragraph [0038]. Specifically, the system is designed to ensure that trades are in compliance with Rule 2a-7 of the Investment Company Act of 1940. See Id.; page 1 paragraph [0005]. The system of Sands may include a detail window that displays the details of the rules applied to each trade, along with the limits associated with each rule. See page 12, paragraph [0313].

Sands fails to disclose or suggest displaying a rule description box that defines how a transaction limit was calculated. The system disclosed in Sands is designed to work "behind the scenes" to deliver information to a presentation layer that displays the information to a user. See page 13, paragraph [0323]. In other words, the system fails to provide the additional information of how the limits were calculated.

Art Unit: 3693

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Sands was cited as an obviousness rejection with Cwenar to teach displaying rules. Cwenar teaches compliance rules for financial instruments.

The Office has indicated that it has given "no patentable weight to particular arrangements of data on a display that are non-functional descriptive material" such as "a rule description box." Applicant respectfully submits that displaying a buying power message box showing a sorted set of compliance rules and the calculated transaction limit for each rule together with a rule description box that defines how the transaction limit was calculated allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits. See Specification, page 10, lines 5-11. In other words, the arrangement and contents of the buying power message box and the rule description box requires a functional interrelationship among that data and the computing processes performed when utilizing that data. Consequently, these elements should be given patentable weight.

The Examiner points out that the Applicant is trying to bring in the functionality of their display by this statement from above...

>>allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits.<<

"FIG. 7 is a printscreen that displays a detail window activated when the trader double-clicks a fund in the Quick Look window to see details of the rules applied and each of their limits according to the invention;..." [0029]

From above...

>>In other words, the arrangement and contents of the buying power message box and the rule description box requires a functional interrelationship among that data and the computing processes performed when utilizing that data.<<

The arrangement of the data is non-functional. Displaying rules and limits is old and well known as taught by Sands.

Because Cwenar and Sands, either individually or in combination, fail to disclose or suggest displaying a buying power message box along with a rule description box that defines how the transaction limit was calculated, claim 1 is patentable over Cwenar and Sands.

Art Unit: 3693

Cwenar and Sands displays rules and limits, which is what the above boxes teach. The arrangement of how the information is displayed is not relevant. However, the Examiner modifies the rejection to emphasize the point that it is the arrangement and not the content of the display that is given no patentable weight.

Independent claims 15, 22, and 25 each recite means for or the step of displaying a rule description defining how a transaction limit was calculated. Thus, for at least the reasons given above with regard to claim 1, claims 15, 22, and 25 are patentable over Cwenar and Sands, either individually or in combination. Claim 32 depends from independent claim 1; claim 18 depends from independent claim 15; at least by virtue of their dependencies, claims 18 and 32 are also patentable over Cwenar and Sands.

For the reasons given above, the rejections are maintained.

In the Office Action, claims 6, 7, 23, and 24 were rejected as being unpatentable over Cwenar in view of Sands, and further in view of U.S. Patent Application Publication No. 2004/0220872 to Pollock. As outlined above, Cwenar and Sands, either individually or in combination, fail to disclose or suggest each element recited in independent claim 1. Claims 6 and 7 depend from independent claim 1 and so are patentable over Cwenar and Sands for at least the reasons given above in regard to claim 1. Claims 23 and 24 depend from independent claim 22 and are patentable over Cwenar and Sands for at least the reasons given above regarding claim 22.

For the reasons given above, the rejections are maintained.

Pollock fails to overcome the deficiencies of Cwenar and Sands. Pollock discloses methods for lending based on an asset and securitization of loan interests. The Office relies on Pollock solely for its disclosure of receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender. Pollock does not disclose or suggest the step of displaying a rule description box that defines how the transaction limit was calculated. For at least this reason, claims 6, 7, 23, and 24 are patentable over Cwenar, Sands, and Pollock, either individually or in combination.

Pollack was used as an obviousness type rejection to teach nominal value. Also, ...In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Sands was cited as an obviousness rejection with

Art Unit: 3693

Cwenar to teach displaying rules. Cwenar teaches compliance rules for financial instruments.

Applicant argues claims 28 and 31, page 16 of Remarks:

In the Office Action, claims 28 and 31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,820,069 to Kogan in view of U.S. Patent Publication No. 2002/0059107 to Reich, and further in view of Cwenar.

Independent claim 28 recites a system for facilitating trade entry and portfolio management. The system includes a user interface interacting with a control program, a data storage device, and a processor. The user interface includes a financial security section displaying the name of a security as well as data associated with the security; a portfolios section displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; a buying power module displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule; and a rule description section of the user interface displaying how the transaction limit was calculated. The compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit in the buying power module and are applicable to a currently selected investment portfolio in the portfolios section.

The system, consisting of an interface, a data storage device, and a processor. This is a computer. The capabilities of the computer can include steps of the functions performed by the machine. (MPEP 2106 IV B). Displaying an arrangement of data is directed to non-functional descriptive material, even though the data itself is given weight.

Kogan discloses a memory server that executes queries to determine compliance with rules by using a rule definition language. See col. 2, lines 46-66. The memory server may be used in determining compliance for securities trading. The Kogan reference describes, in great detail, the implementation of the rule definition language on the memory server. However, Kogan describes only a general-purpose computer system and user interface. See cols. 14 and 15; Kogan fails to disclose or suggest a user interface with features that include a financial security section, a portfolios section, a buying power module, and a rule description section, as recited in independent claim 28. For example, Kogan does not disclose or suggest a rule description section displaying how a transaction limit was calculated.

The Applicant is arguing their system consists of different displays and this is why their system is different over Kogan et al. Again, a particular arrangement of

Art Unit: 3693

data is considered non-functional descriptive material. Note Kogan's system claim:

“25. A server for security trading compliance comprising:

system memory comprising at least one pre-loaded memory table, a plurality of rules and a plurality of global datum, wherein said rules comprise computer readable instructions for execution in said computer and at least one global datum comprises parameters or values used to determine compliance with said rules wherein a query comprises a plurality of parameters and wherein said rules comprise at least one statement for evaluating said parameters of said query, said system memory for storing said global datum in said pre-loaded memory table;

a port for receiving, after loading said rules, local datum and global datum, at least one query for determining compliance with said rules, said query comprising at least one local datum used to determine compliance of a corresponding query with said rules;

said system memory for storing said local datum; and

processor unit for executing, in response to said query, said rules including accessing said system memory to utilize said local datum and said global datum, wherein said server determines compliance with said rules from said system memory of said computer.”

A system claim describes the hardware components of the system and how they interact with each other. Applicant's system claim is a user interface, a data storage device, and a processor (a computer) where there are no descriptions of what functions the components perform. The user interface only displays non-functional descriptive material.

Kogan et al. simply needs to teach a computer with compliance rules, which they do.

Reich fails to overcome the deficiencies of Kogan noted above. Reich discloses a system for automating transaction compliance checks via a computer communications system. In particular, the compliance system includes a rules processing engine that has access to predefined sets of compliance rules, profile information used to determine which compliance rules apply to a given request, and other information, such as trading history. See page 1, paragraph [0008]. A list server is connected to list storage areas and to the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a

Art Unit: 3693

given request. See page 1, paragraph [0009]. The system described in Reich may be connected to or integrated with an electronic trading system. The system can be implemented using conventional electronic circuitry or in computer hardware, firmware, software, or in a combination of these technologies. See page 6, paragraph [0061]. Although Reich describes in general terms the back-end functions of an automated compliance checker, Reich fails to disclose or suggest a user interface having the specific features recited in independent claim 28.

From above...

>>Although Reich describes in general terms the back-end functions of an automated compliance checker, Reich fails to disclose or suggest a user interface having the specific features recited in independent claim 28<<

For reasons cited above, non-functional descriptive material is given no patentable weight.

The Office acknowledges that both Kogan and Reich fail to disclose or suggest displaying details of how a transaction limit was calculated, but asserts that the disclosure of audit trail reports "would describe in detail how a transaction limit for a compliance rule was calculated." As explained above with regard to claim 1, this assertion is not supported by the disclosure of Cwenar. Consequently, claim 28 is patentable over Kogan, Reich, and Cwenar, either individually or in combination.

Cwenar teaches audit trail report, which one of ordinary skill in the art would understand what that means. Further, a definition was provided, even though the Examiner argues this was not necessary. Also, this refers to a claim of displaying, where there is no functional link to give weight to the calculation of the transaction limit.

The Examiner respectfully maintains the prior rejection. In general, inventive claim elements are required to be tied to an apparatus (especially the inventive claim elements) and if non-functional descriptive language is used, it needs to be tied to a functional, non-abstract step.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

Art Unit: 3693

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 15, 18 and 25 are rejected for using “means plus function” language, attempting to invoke 35 USC 112, 6th paragraph, where no structure is provided in the specification to support such usage. The specification does not explicitly limit the implementation of the “means for” structure using a specific (non-general) computer with a specific algorithm for the stated functionality. For example, claim 25, step g has means for displaying the sorted applicable compliance rules, where any general computer display would work.

6. Claims 22-24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

7. Claim 22 has a last step requiring a computer be performed with each of the prior steps. It is indefinite, however, as to how a computer would perform step h. Step h recites specifying the buying power of the selected portfolio which requires the computer to specify the buying power. Computers can calculate and sort, but not specify. Specifying is normally done by humans, and a human could specify a buying power and the computer select the portfolio based on the specified buying power. For examination purposes, this is assumed to mean a person specifies the buying power.

8. Claims 18 and 23-24 are rejected because they depend from their respective independent claims.

Examiner Request

9. The Applicant is requested to indicate where in the specification there is support for amendments to claims should Applicant amend. The purpose of this is to reduce potential 35 U.S.C. §112, 1st paragraph issues that can arise when claims are amended without support in the specification. The Examiner thanks the Applicant in advance.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

12. Claims 1, 22, 25, and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Pub. No. 2002/0082979 to Sands et al. and Pub. No. US 2002/0059107 to Reich et al.

Art Unit: 3693

[Note that the analysis for the method claim (22) also applies to the respective system claim (25).]

Regarding claim 1:

A computer implemented method of determining the buying power of an investment portfolio for a given security, the method comprising the steps of:

a) storing a set of compliance rules in a database, each of the compliance rules defining a limit on the amount of shares of the security that can be added to the investment portfolio based on predetermined criteria;

Cwenar provides:

Compliance rules for investment portfolios...

“The system further provides, in preferred forms, the use of relational databases and central data repository, the use of dynamically linked library architecture with firewalls, rules-based compliance systems and great flexibility in respect of storage and communication of investment information.” (col. 14, lines 10-15)

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

b) calculating a transaction limit for a proposed transaction involving the security for each compliance rule in the set of compliance rules;

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 5, lines 22-26). For a transaction not to violate predetermined rules requires calculation of a transaction limit.

“In the event a proposed transaction or prospectus violates such rules, the system would, in the preferred embodiment, issue a message or take action to terminate the transaction. By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment.” (col. 11, line 67 and col. 12, lines 1-6)

c) sorting the set of compliance rules from most restrictive to least restrictive based on the calculated transaction limit for each compliance rule, wherein the most restrictive compliance rule has the lowest transaction limit and the least restrictive compliance rule has the highest transaction limit, and wherein the steps of calculating the transaction limit and sorting the set of compliance rules are performed by an analytical server;

Cwenar teaches:

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be

Art Unit: 3693

prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46)

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46) It would be inherent that the most restrictive rule would have the lowest transaction limit and the least restrictive rule would have the highest transaction limit.

“The logic functions, processing, creating and storage, and export of data will occur within the server means 4.” (col. 4, lines 39-41) Processing logic functions involves calculating with the server limits.

See Sorting with Server below.

d) displaying a buying power message box on an output device, wherein the buying power message box displays the sorted set of compliance rules and the calculated transaction limit for each rule; and

“It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, displaying and acting upon a wide variety of investment data, including the data employed in managing mutual funds and effecting trades.” (col. 13, lines 62-66)

“A request for data or information originating within the external user interface results in the server means processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing spreadsheet-like, what-if calculations.” (col. 4, lines 7-13)

(see Display below)

e) displaying a rule description box on the output device with the buying power message box, wherein the rule description box defines how the transaction limit was calculated.

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

“By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment. These legal requirements may be considered a first group of rules.” (col. 12, lines 3-7)

“If a violation of the legal rules is found to exist, the next action is to prepare an audit trail report or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery.” (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

Sorting with Server

Cwenar teaches a compliance system based on rules and proposed transactions. Cwenar also teaches a server and prioritizing rules. He does not teach sorting compliance rules from least to most restrictive by a server.

Reich et al. teaches also in the business of compliance rules teaches:

“In order to improve response time, the list server 34 can include a list cache 35 which is used to store restrictions obtained from the control lists 36. While the cache can reflect the restrictions in the form they are stored in the lists, the listed restrictions are preferably processed before being cached in order to combine related restrictions, perhaps from multiple lists, into a format which can be efficiently searched and updated. For example, the restrictions can be stored in a tree-format in which the highest level is the issuer and the details about restrictions on securities by that issuer, including the list where the restriction is present and other data, are contained in descendant nodes.” [0038]

“According to a further aspect of the invention, each compliance rule has an associated priority which indicates an order in which the rules in the compliance rule set are evaluated by the rules engine 30. The priority can be used to ensure that one class of rules is evaluated before rules in another class.” [0050]

It would have been obvious to one of ordinary skill in the art at the time of invention to include in the compliance system of Cwenar the sorting capability from least to most restrictive with a server of Reich et al. since the claimed invention is merely a combination of old elements, and in the

combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Display

Cwenar teaches compliance system based on rules for fixed instruments and a display with what-if scenarios.

Cwenar fails to explicitly teach displaying compliance rules and transaction limits.

However, Sands et al. teaches displaying rules and limits.

Sands et al. teaches:

“FIG. 7 is a printscreen that displays a detail window activated when the trader double-clicks a fund in the Quick Look window to see details of the rules applied and each of their limits. There are two columns for each rule. The first column considers only trades that have been authorized by a trader, while the second column displays values when preliminary trades are also considered. Notice that there are two rules that display that the fund is already over a limit. This is due to the fact that the funds shown here do not use this provision of the rule.” ¶ [0313]

This known technique of displaying compliance rules and limits is applicable to Cwenar as they both share the characteristics and capabilities, namely, they are directed to evaluating transactions using compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of displaying taught by Sands et al. would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of Sands et al. to the teachings of Cwenar would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate displaying features into similar systems. Further, applying display to Cwenar with compliance rules would have been recognized by those of ordinary skill in the art as resulting in an improved system that would have allowed for access to rules being applied by the system.

No Patentable Weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a “buying power message box” and a “rule description box” are mere arrangements of data. The contents of the display, however, are given patentable weight and have been rejected using Sands. (see MPEP 2106.01 II)

Art Unit: 3693

Regarding claims 22 and 25:

(claim 22) A computer implemented method of determining the buying power of an investment portfolio comprising the steps of:

a) receiving a request to analyze a proposed transaction involving a security from a portfolio manager for a selected portfolio stored in a portfolio database;

Cwenar provides:

“This invention relates to a system for receiving, processing, creating and storing for selective retrieval investment information and, more specifically, it provides a system wherein external data interface means receives and processes investment information from nonuser outside sources which is delivered to a server which receives, processes, creates investment information and starts the same in a central database, and also provides access to the server through the external user interface means.”
(col. 1, lines 11-20)

“It is another object of the present invention to provide such a system which will permit the rapid and accurate computerized processing of large volumes of investment data, such as that involved in mutual fund transactions and portfolio management, for example.” (col. 3, lines 23-27)

b) retrieving the selected portfolio from the portfolio database;

Ability to access portfolio information (in this case a mutual fund)...

“If a user 22, 24, 26, 28 acting through the external user interface 2 desires to access within server means 4, information such as what companies are held by mutual fund XYZ, information from column A of the relational database would be provided.” (col. 9, lines 30-34)

c) accessing a set of compliance rules related to the selected portfolio from a rules database;

“The compliance check may be performed on both the external user interface and the server employing rules stored in the main database.” (col. 2, lines 46-48)

d) determining whether each compliance rule in the set of compliance rules related to the selected portfolio applies to the proposed transaction;

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46)

Art Unit: 3693

e) calculating a transaction limit for the proposed transaction for each applicable compliance rule in the set of compliance rules;

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

“In the event a proposed transaction or prospectus violates such rules, the system would, in the preferred embodiment, issue a message or take action to terminate the transaction. By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment.” (col. 11, line 67 and col. 12, lines 1-6)

f) sorting each applicable compliance rule from most restrictive to least restrictive

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46)

See Sorting with Server below.

g) displaying the sorted applicable compliance rules and the calculated transaction limit for each rule;

“It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, displaying and acting upon a wide variety of investment data, including the data employed in managing mutual funds and effecting trades.” (col. 13, lines 62-66)

“A request for data or information originating within the external user interface results in the server means processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing spreadsheet-like, what-if calculations.” (col. 4, lines 7-13)

(Display below)

h) specifying the buying power of the selected portfolio for the proposed transaction, wherein the buying power is equal to the transaction limit for the most restrictive of the applicable compliance rules; and

Cwenar provides:

Art Unit: 3693

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46) Therefore, prioritized rules are available, and a proposed trade is compared against them. It would be inherent that a trade would be gated by the most restrictive rule.

i) displaying the name of the selected portfolio and its associated buying power for the proposed transaction involving the security; and

“It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, displaying and acting upon a wide variety of investment data, including the data employed in managing mutual funds and effecting trades.” (col. 13, lines 62-66) It would be inherent in displaying mutual fund information to display the name of the fund, for example.

j) displaying a rule description defining how the transaction limit was calculated.

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

“By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment. These legal requirements may be considered a first group of rules.” (col. 12, lines 3-7)

“If a violation of the legal rules is found to exist, the next action is to prepare an audit trail report or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery.” (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

k) wherein each of the above steps is performed using a computer.

Cwenar teaches a server (e.g. Fig. 4, ref. 100)

Sorting with Server

Art Unit: 3693

Cwenar teaches a compliance system based on rules and proposed transactions. Cwenar also teaches a server and prioritizing rules. He does not teach sorting compliance rules from least to most restrictive by a server.

Reich et al. teaches also in the business of compliance rules teaches:

“In order to improve response time, the list server 34 can include a list cache 35 which is used to store restrictions obtained from the control lists 36. While the cache can reflect the restrictions in the form they are stored in the lists, the listed restrictions are preferably processed before being cached in order to combine related restrictions, perhaps from multiple lists, into a format which can be efficiently searched and updated. For example, the restrictions can be stored in a tree-format in which the highest level is the issuer and the details about restrictions on securities by that issuer, including the list where the restriction is present and other data, are contained in descendant nodes.” [0038]

“According to a further aspect of the invention, each compliance rule has an associated priority which indicates an order in which the rules in the compliance rule set are evaluated by the rules engine 30. The priority can be used to ensure that one class of rules is evaluated before rules in another class.” [0050]

It would have been obvious to one of ordinary skill in the art at the time of invention to include in the compliance system of Cwenar the sorting capability from least to most restrictive with a server of Reich et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Display

Cwenar teaches compliance system based on rules for fixed instruments and a display with what-if scenarios.

Cwenar fails to explicitly teach displaying compliance rules and transaction limits.

However, Sands et al. teaches displaying rules and limits.

Sands et al. teaches:

“FIG. 7 is a printscreen that displays a detail window activated when the trader double-clicks a fund in the Quick Look window to see details of the rules applied and each of their limits. There are two columns for each rule. The first column considers only trades that have been authorized by a trader, while the second column displays

values when preliminary trades are also considered. Notice that there are two rules that display that the fund is already over a limit. This is due to the fact that the funds shown here do not use this provision of the rule.” ¶ [0313]

This known technique of displaying compliance rules and limits is applicable to Cwenar as they both share the characteristics and capabilities, namely, they are directed to evaluating transactions using compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of displaying taught by Sands et al. would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of Sands et al. to the teachings of Cwenar would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate displaying features into similar systems. Further, applying display to Cwenar with compliance rules would have been recognized by those of ordinary skill in the art as resulting in an improved system that would have allowed for access to rules being applied by the system.

No Patentable Weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a “buying power message box” and a “rule description box” are mere arrangements of data. The contents of the display, however, are given patentable weight and are rejected using Sands. (see MPEP 2106.01 II)

Regarding claim 32:

The method of claim 1, wherein the predetermined criteria include at least one of duration guidelines, asset allocation guidelines, credit ratings, and restricted security lists.

Cwenar teaches:

“With respect to business preference items, for example, there may be certain preferences regarding ratings, diversification, maturity dates or yields, or time limits on certain rules that would be introduced into the preference rules.” (col. 12, lines 11-16)

13. Claims 6-7 and 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over the combined references in section (13) above in further view of Pub. No. US 2004/0220872 to Pollock, III.

Art Unit: 3693

Regarding claim 6:

The method according to claim 1, further comprising using the analytical server to test each compliance rule against the proposed transaction using a nominal transaction value.

While Cwenar teaches applying compliance rules to a proposed transaction and server, he does not teach using a nominal transaction value.

Pollock, III also in the business of compliance rules teaches:

“... the invention features a method that includes receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender of the loan.”

Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to add a test for nominal value, motivated by Pollock, III, and that doing this would be an added proposed transaction that would easy to carry out by Cwenar’s system.

Regarding claim 7:

A method according to claim 6, further comprising the step of using the analytical server to determine that the buying power of the portfolio for the proposed transaction is zero if the nominal transaction value for the proposed transaction violates a compliance rule.

It is inherent in compliance rule testing that if the test fails, a proposed transaction would not occur, and therefore the value of the proposed transaction would be zero.

Regarding claim 23:

A method according to claim 22, wherein the step of determining whether each compliance rule in the set of compliance rules applies to the proposed transaction includes testing each compliance rule against the proposed transaction using a nominal transaction value.

While Cwenar teaches applying compliance rules to a proposed transaction, he does not teach using a nominal transaction value.

Pollock, III also in the business of compliance rules teaches:

“... the invention features a method that includes receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender of the loan.”

Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to add a test for nominal value, motivated by Pollock, III, and that doing this would be an added proposed transaction that would easy to carry out by Cwenar’s system.

Art Unit: 3693

Regarding claim 24:

A method according to claim 23, further comprising the step of determining that the buying power of the selected portfolio for the proposed transaction is zero if the nominal transaction value violates a compliance rule related to the selected portfolio.

It is inherent that if a proposed transaction fails a compliance rule, a transaction will not occur.

14. Claims 15 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Pub. No. 2002/0082979 to Sands et al. and Official Notice.

Regarding claim 15:

A system for determining the transaction limit of an investment portfolio for a given security comprising:

a) means for storing a set of compliance rules for an investment portfolio, each of the compliance rules defining a limit on the amount of shares of the security that can be added to the investment portfolio based on predetermined criteria;

Cwenar provides:

Compliance rules for investment portfolios...

“The system further provides, in preferred forms, the use of relational databases and central data repository, the use of dynamically linked library architecture with firewalls, rules-based compliance systems and great flexibility in respect of storage and communication of investment information.” (col. 14, lines 10-15)

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

b) means for receiving a request to analyze a proposed transaction involving the security; and

“This invention relates to a system for receiving, processing, creating and storing for selective retrieval investment information and, more specifically, it provides a system wherein external data interface means receives and processes investment information from nonuser outside sources which is delivered to a server which receives, processes, creates investment information and starts the same in a central database, and also provides access to the server through the external user interface means.” (col. 1, lines 11-20)

Art Unit: 3693

c) means for calculating a transaction limit for the proposed transaction for each of the compliance rules in the set of compliance rules;

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 5, lines 22-26). For a transaction not to violate predetermined rules requires calculation of a transaction limit.

“In the event a proposed transaction or prospectus violates such rules, the system would, in the preferred embodiment, issue a message or take action to terminate the transaction. By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment.” (col. 11, line 67 and col. 12, lines 1-6)

d) means for sorting the compliance rules from most restrictive to least restrictive based upon the transaction limit calculated for each compliance rule;

Cwenar teaches:

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46)

While Cwenar discloses prioritizing compliance rules, he does not disclose sorting the rules from least to most restrictive based on transaction limits. However, the Examiner takes Official Notice that sorting information based on relevancy is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to include the ability to sort compliance rules from most to the least restrictive and that doing this would permit quick assessment of the most critical rules that are gating a transaction.

It would be inherent that the most restrictive rule would have the lowest transaction limit and the least restrictive rule would have the highest transaction limit.

e) means for displaying the sorted compliance rules along with the transaction limit associated with each compliance rule; and

“It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, displaying and acting upon a wide variety of investment data, including the data employed in managing mutual funds and effecting trades.” (col. 13, lines 62-66)

“A request for data or information originating within the external user interface results in the server means processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing spreadsheet-like, what-if calculations.” (col. 4, lines 7-13)

(see Display below)

f) means for displaying a rule description with the sorted compliance rules, wherein the rule description defines how the transaction limit was calculated.

“It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules.” (col. 2, lines 66-67 and col. 3, lines 1-2)

“By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment. These legal requirements may be considered a first group of rules.” (col. 12, lines 3-7)

“If a violation of the legal rules is found to exist, the next action is to prepare an audit trail report or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery.” (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

Display

Cwenar teaches compliance system based on rules for fixed instruments and a display with what-if scenarios.

Cwenar fails to explicitly teach displaying compliance rules and transaction limits.

However, Sands et al. teaches displaying rules and limits.

Sands et al. teaches:

“FIG. 7 is a printscreen that displays a detail window activated when the trader double-clicks a fund in the Quick Look window to see details of the rules applied and each of their limits. There are two columns for each rule. The first column considers only trades that have been authorized by a trader, while the second column displays

values when preliminary trades are also considered. Notice that there are two rules that display that the fund is already over a limit. This is due to the fact that the funds shown here do not use this provision of the rule.” ¶ [0313]

This known technique of displaying compliance rules and limits is applicable to Cwenar as they both share the characteristics and capabilities, namely, they are directed to evaluating transactions using compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of displaying taught by Sands et al. would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of Sands et al. to the teachings of Cwenar would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate displaying features into similar systems. Further, applying display to Cwenar with compliance rules would have been recognized by those of ordinary skill in the art as resulting in an improved system that would have allowed for access to rules being applied by the system.

No Patentable Weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a “buying power message box” and a “rule description box” are mere arrangements of data. The contents of the display, however, are given patentable weight and have been rejected using Sands. (see MPEP 2106.01 II)

Regarding claim 18:

A system as recited in claim 15, further comprising means for determining the buying power of the portfolio based upon the transaction limit associated with the most restrictive compliance rule.

Cwenar provides:

“The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept.” (col. 2, lines 41-46) Therefore, prioritized rules are available, and a proposed trade is compared against them. It would be inherent that a trade would be gated by the most restrictive rule.

Art Unit: 3693

15. Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over U.S.

Patent No. 6,820,069 to Kogan et al. in view of U.S. Pub. No. 2002/0059107 to Reich et

al. and in further view of U.S. Patent No. 5,893,079 to Cwenar.

Regarding claim 28:

A system for facilitating trade entry and portfolio management, the system comprising:

a) a user interface interacting with a control program, a data storage device, and a processor;

Kogan et al. teaches:

“The compliance server 140 includes, at a minimum, system memory, processor, network interface capabilities, and input/output access to a persistent datastore.” (col. 4, lines 9-12) Inherent with the input/output access would be a user interface.

“The computer system 1000 further includes a mass storage device 1022, peripheral device(s) 1030, portable storage medium drive(s) 1040, input control device(s) 1070, a graphics subsystem 1050, and an output display 1060.” (col. 14, lines 46-49)

b) a financial security section of the user interface displaying the name of a security as well as data associated with the security;

Kogan et al. teaches:

“For example, in a pre-trading application for financial securities, the local query data consists of parameters of the trade (e.g., security identification, price, quantity of shares, etc.)” (col. 4, lines 23-26) Therefore, security data is accessible via a user interface.

c) a portfolios section of the user interface displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; and

Kogan et al. teaches:

“For example, institutional investors have regulatory obligations with regard to trading. Furthermore, money managers, such as managers of mutual funds, also have guidelines for securities transactions. A portfolio manager for a large institutional investor may impose specific guidelines or rules regarding the diversification of the portfolio. For example, the institutional investors may wish to limit the amount of securities held for a particular industry, define a minimum trading amount, list securities that are not to be purchased for that institutional investor, etc. In addition, a portfolio owner may impose on a broker a number of limitations regarding

the type and quantity of securities for trading." (col. 1, lines 28-40) Inherent in managing mutual funds would be access to the different fund portfolios.

"Typically, the data is stored in tables in a persistent datastore (e.g., a hard disk drive)." (col. 1, lines 59-60) Tables would provide information in list form.

d) a buying power module of the user interface displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule, wherein the compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit and are applicable to a currently selected investment portfolio in the portfolios section of the user interface; and

Kogan et al. teaches transaction limits:

"A portfolio manager for a large institutional investor may impose specific guidelines or rules regarding the diversification of the portfolio. For example, the institutional investors may wish to limit the amount of securities held for a particular industry, define a minimum trading amount, list securities that are not to be purchased for that institutional investor, etc. In addition, a portfolio owner may impose on a broker a number of limitations regarding the type and quantity of securities for trading." (col. 1, lines 31-40)

(Also, see Limits below)

e) a rule description section of the user interface displaying how the transaction limit was calculated.

(see Rule description below)

Limits

Kogan et al. teaches accessible compliance rules and transaction limits. Kogan et al. fails to teach a list of compliance rules from lowest transaction limit to highest transaction limit.

However, Reich et al. teaches the known technique of lowest and highest transaction limits.

Reich et al. teaches list of compliance rules:

"A list server is connected to the list storage areas and the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request." ¶ [0009]

“Various features can be implemented in the system to enhance functionality and increase performance. In one implementation, compliance rules are assigned a specified priority which is used to determine the order in which the rules are evaluated.” ¶ [0012]

“When multiple restrictions are in place for a given instrument, the list server 34 can limit the number of restrictions to be considered by returning only restrictions having a minimum severity level or only the most severe restriction. In a specific embodiment, when more than one restriction on a given instrument is present in the same control list, the list server 34 will return only the restriction having the highest severity level from that list. Because which list a restriction appears in can effect whether a given party is in compliance, in this embodiment, if a restriction is present in more than one list, the most severe restriction from each list is returned.” ¶ [0039] Inherent in determining, for example, which has the highest severity level in a list would be sorting the list by severity.

This known technique is applicable to Kogan et al. as they both share characteristics and capabilities, namely, they are directed to compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of Reich et al. would have yielded the predictable results and resulted in an improved system. It would have been recognized that applying the technique of Reich et al. to the teachings of Kogan et al. would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate such sorting features into similar systems. Further, applying sorting from lowest to highest to Kogan et al. would have been recognized by those of ordinary skill in the art as resulting in an improved system that would allow detail analysis of the gating effects of compliance rules on the transaction limits.

Rule description

Kogan et al. teaches accessible compliance rules, transaction limits, and reports detailing compliance results. For example:

“The compliance report 170 identifies whether the local query data 120 is in conformance to the rules 150. For example, the compliance report 170 may identify each rule and identify whether the submitted query conforms to that rule.” (col. 4, lines 33-37)

“The client application or interface agent then formulates a query. In response to the query, the RDL compliance server 530 generates a

compliance report to detail the compliance results." (col. 7, lines 39-42)

Kogan et al. fails to specify displaying details of how a transaction limit was calculated.

Cwenar discloses a compliance rules system that teaches the known technique of audit trails:

"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules." (col. 2, lines 66-67 and col. 3, lines 1-2)

"By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning more than a certain percentage of a certain category of investment. These legal requirements may be considered a first group of rules." (col. 12, lines 3-7)

"If a violation of the legal rules is found to exist, the next action is to prepare an audit trail report or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery." (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

This known technique of Cwenar is applicable to the Kogan et al. as they both share the characteristics and capabilities, namely they are directed to compliance rules for transactions. One of ordinary skill in the art at the time of invention would have recognized that applying the audit capability of Cwenar would have yielded predictable results and resulted in an improved system. Providing an audit trail which gives details of rule description for a transaction would have been recognized by those of ordinary skill in the art as resulting in an improved system by showing the effect of rule algorithms on transactions, and would enhance the compliance report detail provided by Kogan et al.

No Patentable Weight is given to particular arrangements of data on a display that are considered non-functional descriptive material. For example, a rule description area is considered a mere arrangement of data and does not have function by itself. The contents of the display, however,

Art Unit: 3693

**are given patentable weight and have been rejected using appropriate art.
(see MPEP 2106.01 II)**

Conclusion

16. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **KENNETH L. BARTLEY** whose telephone number is (571)272-5230. The examiner can normally be reached on Monday through Friday, 8:00 - 5:00 EST.

Art Unit: 3693

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jagdish Patel can be reached on (571) 272-6748. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAGDISH N PATEL/

Primary Examiner, Art Unit 3693